

10/27/05

To Whom It May Concern:

"Competition and the Real Estate Workshop" -- Comment, Project No. V050015

First let me state that I am a 38 yr. veteran of the real estate industry (started when I was 18) and a 2nd generation Realtor, having had both parents in the field when I was little. I have owned two different companies and worked in four different firms. Currently broker-owner of a franchise company I purchased in 1987. It was an independent firm at the time and running 5th in the order of success in our market. I franchised with Coldwell Banker almost immediately as franchises were finally becoming popular in our area and after MANY years of hard work have a 40% market share and growing.

The real estate industry is a model of competition that works. In an economy in which large, national corporations -- such as Wal-Mart and Microsoft -- dominate the marketplace, real estate stands apart. We are an industry made up predominantly of small businesses and independent contractors who represent the entrepreneurial spirit this country was founded on.

All of us serve localized markets where we compete for business every day. Fierce competition is fueled largely by the uniquely intense and personalized nature of the service we provide to our clients -- which, in turn, determines our future success through referrals and return business.

Practically anyone can get into my business. All they need to do is take 2 classes, pass a test and generally work like heck for the first year. If they put their nose down, pay attention to the top producers in the field, and work 60 hrs. a week for at least the first year....they have a chance at earning up to \$30,000 in the first year and up to and over \$100,000 in the next years. While these income levels vary greatly across that nation...in our area this is great money and ESPECIALLY for someone who may or may not have a college degree. Their commitment to professional standards, dedication to client satisfaction and adherence to the REALTOR® code of ethics are what will determine their success. Not even the company they choose to go to work for will stop or hold back a person who is truly good at sales. Many small companies in our area have had their rising stars even though they may not be the top or even close to the top firm. A new agent's cash layout to get started....approx. \$1,200!! Now it doesn't get any better than that.

Even through the economic downturns our country has experienced in the past few years, our industry has continued to provide opportunity -- something I would say is confirmed by the thousands of new agents that join our profession every year and the over 2 million Americans who are now licensed to provide professional real estate services in communities across the country.

Nothing encourages a competitive business environment more than providing consumers with choice. In the residential real estate marketplace, consumers not only are able to choose from more than 76,000 brokerage firms and more than 1.2 million REALTORS®, but also from a variety of business models.

Now lets move on and talk about our MLS system:

The MLS is a cooperative, broker-to-broker offer of cooperation and compensation that help both brokers and customers buy and sell homes. It is not a public utility, nor should it be. My father actually helped start our local MLS in the mid 60's.

The beauty of the MLS is that it allows real estate brokerages of every size to compete on a level playing field. It gives all of us access to an inventory of property listings that we are able to show and sell to our clients.

The MLS doesn't discriminate. All MLS members are treated equally, regardless of their size or their business model, and yet the rights of property owners and their listing brokers are respected. The rules of the MLS achieve a delicate balance between respecting the rights of listing brokers so they will continue

to be willing to contribute their inventory of listings and permitting cooperating brokers the ability to show those listings and be assured of receiving compensation if they bring about a successful sale.

Last lets cover the new ILD policy regarding real estate and internet display:

From my perspective, the new policy is a win-win for consumer and Realtors. It works for consumers because it give home sellers a choice whether to permit marketing of their property on the internet and in selecting an MLS member with whom they want to work. It allows them to "opt-in" and have their property displayed on other brokers' Web sites even if they are working with a broker who does not participate in sharing his listings for display by his competitors. And it works for Realtors because it gives us the right to control where our listings are displayed on the Internet.

PLEASE HEED THE MISTAKES OF YESTERDAY AND KEEP GOVERNMENT CONTROL & REGULATION OUT OF OUR BUSINESS! Over the years I have seen our "fair trade" laws sink much of tool and die industry. I have been through the "deregulation" of the banking industry...which didn't mean a hill of beans in the end. I have watched what has happened to the farmers when government stepped in to help. Then there is public transportation and the list goes on. In almost every case where government has decided to "help" they have screwed it up. Not because they don't mean well but because there is no way to protect all from failure. It is the nature of our free enterprise system that some companies and people will fail and it is through that failure that they sometimes go on to great success (if they learn from their mistakes that is). I forgot to mention...I lost my first real estate office when the interest rates went to 18% in the early 80's. I almost lost my second one when an agent from my office decided to start her own firm and took 1/2 my office with her, in 1993 (I bought back her company in 2003). It was only through sheer hard work and determination that I was able to rebuild and grow to have the top office in our market place out-distancing our competition by a far amount. One of the rules I live by is: The definition of insanity is doing the same thing over and over again and expecting different results. Please don't do the same thing you have done in the past (that hasn't worked) like try and "save" or "protect" someone or something. **GOVERNMENT INTERVENTION DOESN'T WORK.** Besides there is also that other rule: If it "ain't" broke..don't fix it!

Oh, there is one last thing I forgot to mention. Through most of my life I was a single mom with 3 children. I didn't do husbands near as well as I did real estate. Real Estate was the only business that I could have gotten into that paid me enough money to support my children (you get paid what you are worth regardless of sex). I was able to take off when kids got the chicken pox and measles without getting fired. My success always depended on one person...ME!

Sincerely,

Terry Wygle

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